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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/758,967	01/11/2001	Steven M. Bloom	09857-054001	9652
26161	7590	07/09/2004	EXAMINER NGUYEN, NGA B	
FISH & RICHARDSON PC 225 FRANKLIN ST BOSTON, MA 02110			ART UNIT 3628	PAPER NUMBER

DATE MAILED: 07/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	09/758,967	BLOOM ET AL.
<b>Examiner</b>	<b>Art Unit</b>	
	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

1)  Responsive to communication(s) filed on 11 January 2001.

2a)  This action is **FINAL**.                            2b)  This action is non-final.

3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## **Disposition of Claims**

4)  Claim(s) 1-23 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5)  Claim(s) \_\_\_\_\_ is/are allowed.  
6)  Claim(s) 1-23 is/are rejected.  
7)  Claim(s) \_\_\_\_\_ is/are objected to.  
8)  Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

9)  The specification is objected to by the Examiner.

10)  The drawing(s) filed on \_\_\_\_\_ is/are: a)  accepted or b)  objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)  The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a)  All    b)  Some \* c)  None of:  
1.  Certified copies of the priority documents have been received.  
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)  Notice of References Cited (PTO-892)  
2)  Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3)  Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 4,5,6.  
4)  Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_ .  
5)  Notice of Informal Patent Application (PTO-152)  
6)  Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This Office Action is the answer to the communication filed on January 11, 2001, which paper has been placed of record in the file.
2. Claims 1- 23 are pending in this application.

#### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-23 are rejected under 35 U.S.C 101 because the claimed invention is directed to non-statutory subject matter, particularly, an abstract idea.

The claims, as presently claimed and best understood were reconsidered in light of the "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

Claims 1-23 merely manipulate an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter.

As to claims 1-23, the invention is not implemented on a specific apparatus; therefore, the invention is not directed to the technological arts. To be statutory, the utility of an invention must be within the technological arts. The definition of

"technology" is the "application of science and engineering to the development of machines and procedures in order to enhance or improve human conditions, or at least to improve human efficiency in some respect." (Computer Dictionary 384 (Microsoft Press, 2d ed. 1994)). When one looks to the present specification to determine what the applicant has invented, the invention appears to be a series of steps performed on a computer. It is clear that claims 1-23 are intended to be directed to the abstract method apart from the apparatus for performing the method. Therefore, claims 1-23 are non-statutory, because they are directed solely to an abstract idea without practical application in the technological arts.

#### ***Claim Rejections - 35 USC § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-8 and 10-23 are rejected under 35 U.S.C. 102(e) as being anticipated by Olienyk et al (hereinafter Olienyk), Journal of Financial Planning.

Regarding to claim 1, Olienyk teaches a financial product of a first fund that is traded on a trading marketplace in a first country, and registered in the first country (see abstract, the index fund called World Equity Benchmark Shares or WEBS; pages 5-7, in

the beginning of 2000, there were WEBS for 17 different countries for trading: Japan, Malaysia, Singapore, Hong Kong, Australia, Mexico, United States, Mexico, Italy, Canada, Germany, Austria, France, Netherlands, United Kingdom; Spain, Belgium; e.g. the first fund is Mexican WEBS is traded on Mexican market), the first fund comprising the characteristics of: being based on an index of securities that are traded in a second, different country, being arbitragable with a second fund based on the index and which is registered in the second different country, and with the first fund having a creation unit basis that is substantially the same basis as a creation unit basis for the second fund (page 4, see "World Equity Benchmark Shares"; WEBS is being based on Morgan Stanley Capital International (MSCI) stock market index, WEBS are open-end index funds, their shares like closed-end country funds, are traded in the secondary market, i.e. traded on American Stock Exchange; e.g. the first fund is Mexican WEBS is being arbitragable with a second fund, e.g. Canadian WEBS based on the MSCI index; Mexican and Canadian WEBS have the same creation unit basis).

Regarding to claim 2, Olienyk teaches the first fund is a first index-tracking fund, issuing tracking fund shares that are traded in the marketplace in the first country (e.g. Mexican WEBS is a first index-tracking fund that are traded in the Mexican market).

Regarding to claim 3, Olienyk teaches the marketplace is an exchange, and electronic market, over-the-counter marketplace, an electronic communication network (ECN), or other securities trading marketplace (page 2, see "Buying foreign Stocks Directly").

Regarding to claim 4, Olienyk teaches the first tracking fund and the second tracking fund each track the same index (e.g. Mexican and Canadian WEBS track the same MSCI index).

Regarding to claim 5, Olienyk teaches the first tracking fund and the second tracking fund are designed to track or outperform the price and yield performance of the index (pages 5-8).

Regarding to claim 6, Olienyk teaches the fist index tracking fund can be traded on marketplaces in the first country, or on marketplaces n other countries, other than marketplaces in the second country (e.g. Mexican WEBS is a first index-tracking fund that are traded in the Mexican market).

Regarding to claim 7, Olienyk teaches the first tracking fund shares are not fungible with second tracking fund shares at the share level (page 4, see "World Equity Benchmark Shares"; the WEBS are issued and redeemed only through "creation units").

Regarding to claim 8, Olienyk teaches the first tracking fund is designed to permit arbitrage of the first tracking fund with the second tracking fund (page 5, see "World Equity Benchmark Shares").

Regarding to claim 10, Olienyk teaches there exists a known numerical relationship or ratio between the share aggregation size of a creation unit of the first tracking fund and the share aggregation size of a creation unit of the second tracking fund (page 4, see "World Equity Benchmark Shares"; the NAV of the creation units deviate by a small fraction of a percent from the price of the WEBS in the secondary market).

Regarding to claim 11, Olienyk teaches a first tracking fund having shares that are traded on a first marketplace, comprising the characteristics of: being based on an index of securities in a second country that are registered in the second country, with the first fund structured with the creation unit having a basis that is substantially the same basis as the creation unit basis for the second fund and wherein calculation of the net asset value of the first fund occurs essentially or exactly the same time that second country fund has its NAV calculated (page 4, see "World Equity Benchmark Shares"; WEBS is being based on Morgan Stanley Capital International (MSCI) stock market index, WEBS are open-end index funds, their shares like closed-end country funds, are traded in the secondary market, i.e. traded on American Stock Exchange; e.g. the first fund is Mexican WEBS is being arbitrable with a second fund, e.g. Canadian WEBS based on the MSCI index; Mexican and Canadian WEBS have the same creation unit basis; page 4, "see Closed-End Funds"; WEBS like closed-end country funds, net asset value calculated weekly or daily, e.g. Mexican and Canadian WEBS are traded on American Stock Exchange, thus the net asset value of both Mexican and Canadian WEBS are calculated exactly the same time).

Claims 12-15 have similar limitations found in claims 3, 4, 6, 10 above, therefore are rejected by the same rationale.

Regarding to claim 16, Olienyk teaches a method of producing a financial product that is traded on a first marketplace, comprising the characteristics of: providing a creation unit having a basis that is substantially the same basis as the creation unit basis for a second fund that is traded on a second marketplace in a different country as

the first fund (page 4, see "World Equity Benchmark Shares"; e.g. Mexican and Canadian WEBS have the same creation unit basis).

Regarding to claim 17, Olienyk teaches a method of producing a financial product that is traded on a first marketplace, comprising the characteristics of: calculating the net asset value of the first fund at essentially or exactly the same time that the net asset value of a second country fund has its net asst value calculated (page 4, WEBS like closed-end country funds, net asset value calculated weekly or daily, e.g. Mexican and Canadian WEBS are traded on American Stock Exchange, thus the net asset value of both Mexican and Canadian WEBS are calculated exactly the same time).

Claims 18-23 have similar limitations found in claims 16, 17, 3, 4, 6, 10 above, therefore are rejected by the same rationale.

### ***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over Olienyk et al (hereinafter Olienyk), Journal of Financial Planning, in view of iShares, Inc (hereinafter iShares), Business Wire, "iShares, Inc. Announces Results of Special Shareholders' Meetings".

Regarding to claim 9, Olienyk does not teach the composition of the creation unit is based on the index and is adjusted as determined by an agent such as an index receipt agent, trustee, administrator, or other entity designed to perform that function. However, iShares teaches the composition of the creation unit is based on the index and is adjusted as determined by an agent such as an index receipt agent, trustee, administrator, or other entity designed to perform that function (page 2, Barclays Global Investors or BGI is the world's largest institutional investment manager, and the world's largest provider of structured investment strategies such as indexing, tactical asset allocation, and quantitative active strategies). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to include the teaching of iShares above with Olienyk's for the purpose of providing an entity for performing the adjustment of the composition of the creation unit.

### ***Conclusion***

9. Claims 1-23 are rejected.
10. The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure:

Business Wire, "iShares, Inc. Announces Estimated Tax Characteristics of August 31, 2000 Distributions".

Business Wire, "iShares, Inc. Announces Launch of Its New EMU Fund and 'Non-Diversified' Classification of the EMU Fund.

Business Wire, "Barclays Global Investors Continues Expansion of the Largest

Worldwide Marketplace of Exchange Traded Funds; New iShares for all of Europe in one investment".

Business Wire, "Barclays Global Investors Begins Expansion of Exchange Traded Fund Offering; iShares Provide the Best of Stocks and Index Funds in One Investment

Business Wire, "Barclays Global Investors Launches New Exchange Traded Fund Tracking Taiwan; iShares MSCI Taiwan is 19th MSCI Country Managed by BGI".

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (703) 306-2901. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on (703) 308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 306-1113.

12. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks  
C/o Technology Center 3600  
Washington, DC 20231

Or faxed to:

(703) 872-9326 (for formal communication intended for entry),

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or

(703) 308-3691 (for informal or draft communication, please label  
"PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Crystal Park 5, 2451 Crystal  
Drive, Arlington, VA, Seventh Floor (Receptionist).

Nga B. Nguyen

*Nga Nguyen*

June 23, 2004